

CHAPTER 14.—POWERS OF SANCTION.

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Classification of Charges.

224. Service payments on Government account are divided into three classes—Central, Provincial reserved and Provincial transferred. The Devolution Rules and Schedules attached thereto show how this division is made.

Powers of Sanction to Expenditure.

225. All the most important general rules on the subject of financial powers in respect of expenditure from Central Revenues, exercised by the Secretary of State, the Government of India, the Provincial Government acting as agents of the Central Government, the minor local Governments, the Departments of Government of India and other authorities are contained in the Book of Financial Powers issued by the Government of India, and the delegations made under these rules to lower authorities are incorporated in the Manuals of the Accountants General concerned.

226. *Deleted.*

Write-off of Losses.

227. (a) The Finance Department of a provincial Government acting as an agent of the Central Government has power to write off finally the irrecoverable value of stores or public money lost by fraud or the negligence of the individuals or other causes, but must report such losses to the Government of India when the loss exceeds Rs. 10,000. It may also delegate to Heads of Departments or other subordinate authorities the power to write off losses under this rule : provided that (1) the amount of the write-off in any individual case shall not exceed such maximum limit or limits, not higher than Rs. 1,000, as the Provincial Government may prescribe for each such subordinate authority, and (2) the loss does not disclose (i) a defect of system the amendment of which requires the orders of higher authority or (ii) serious negligence on the part of some individual officer or officers which might possibly call for disciplinary action requiring the orders of higher authority.

NOTE.—This rule does not apply to losses of cash in treasuries whether in the course of remittance or out of treasury balance small coin depot, or currency chest. Individual cases of such losses should be reported to the Government of India and their specific approval obtained before any item of loss is written off to Central Revenues.

(b) A Department of the Government of India has power to write off finally the irrecoverable value of stores or public money lost by fraud, etc., up to a maximum limit of Rs. 10,000 in any individual case. It may also delegate to minor local Governments and Heads of Departments or other subordinate authorities the power to write off losses under this rule subject to the provisos mentioned in clause (a) of this article.

Exception 1.—The Chief Commissioner, Baluchistan, exercises the powers of a provincial Government as defined in clause (a) of this Article.

Exception 2.—The Auditor General in India may sanction the writing-off finally of irrecoverable advances and of the irrecoverable value of stores or public money lost by fraud or the negligence of individuals or other causes up to a limit of Rs. 5,000 in each case.

Exception 3.—The Chief Engineer, Central Public Works Department, may (in respect of works other than provincial works in the Delhi Province) sanction the final writing-off of the irrecoverable value of stores up to a limit of Rs. 5,000, of the loss of public money by fraud, etc., up to a limit of Rs. 1,000 and of the losses of revenue and irrecoverable advances up to a limit of Rs. 250, subject, in each case, to the restrictions imposed by clause (a) of this article.

NOTE 1.—This rule does not apply to the Army and Railway Departments of the Government of India whose powers in this matter are regulated by separate orders.

NOTE 2.—Subject to proviso (2) in clause (a) of this Article, the powers under Article 227 (b) have been delegated to the Central Board of Revenue to write off finally irrecoverable value of stores or public money lost by fraud, etc., up to a maximum limit of Rs. 25,000 in any individual case.

(c) Officers of the Income-tax Department have power to write off irrecoverable balances of income-tax demands as shown below :—

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| 1. Commissioners of Income-tax | Unlimited powers. |
| 2. Assistant Commissioners of Income-tax, Bombay and Calcutta Cities. | Power to write off sums not exceeding Rs. 1,000 in each case. |
| 3. Other Assistant Commissioners of Income-tax. | Power to write off sums not exceeding Rs. 250 in each case. |
| 4. Income-tax Officers | Power to write off sums not exceeding Rs. 50 in each case if empowered to do so by the Commissioner of Income-tax. |

NOTE.—The abovementioned powers of the Commissioners of Income-tax in regard to the write-off of irrecoverable demands of income-tax, are not shared by the Central Board of Revenue of the Government of India.

(d) All sanctions to writes-off under this article excepting those falling under clause (c) should be communicated to the Accountant General who will scrutinise in each case and bring to notice any defect of system which appears to require attention.

NOTE 1.—This Article applies also to losses of revenue and irrecoverable advances, but Provincial Governments acting as agents of the Central Government are authorised to write off advances made from Central Revenues up to a limit of Rs. 300, inclusive of principal and interest, in each individual case and all cases of writes-off of such advances beyond this amount, whether irrecoverable or not, should be submitted to the Government of India for sanction. Remissions of irrecoverable advances to cultivators are governed by Article 151.

NOTE 2.—Provincial Governments may re-delegate to Heads of Departments and Commissioners of divisions the power to write off advances made from Central Revenues subject to a limit of Rs. 100 and the conditions specified in clause (a).

NOTE 3.—The limits laid down in Notes 1 and 2 above are applicable only to advances the write-off of which is debitable to Central Revenues. They do not apply to cases of write-off the incidence of which is accepted by the local Government as a provincial charge.

NOTE 4.—*Deleted.*

NOTE 5.—The expression "value of stores" used in this Article should be interpreted as meaning "book value" where priced accounts are maintained, and "replacement value" in other cases.

Remission of Disallowances.

228. The Governor General in Council may waive the recovery of an amount placed under objection ; but it is open to the Auditor General or an Accountant General to require that the action taken in any case shall be reported, as soon as possible, to the Committee on Public Accounts.

*1. A Department of the Government of India.

2. The Finance Department of a Provincial Government acting as the Agent of the Governor General in Council.

3. The Chief Commissioner and Agent to the Governor General, Baluchistan.

1. The authorities noted in the margin* may exercise the power of remitting disallowances made by Audit officers if—

- (1) the amount disallowed has been drawn by the Government servant concerned under a reasonable belief that he was entitled to it.
- (2) In the case of disallowances of emoluments of the nature of pay, as defined in Fundamental Rule 9 (21), made within one year of the date of payment—
 - (i) the Government servant is not in receipt of pay exceeding Rs. 12,000 a year or, in the case of others, the overdrawal has not the effect of raising the Government servant's pay beyond Rs. 12,000 in any year ; and
 - (ii) the overdrawal has not been occasioned by delay in notifying a promotion or reversion.

These powers may be exercised by the officers noted below provided that the yearly pay limit referred to in clause 2 (i) above does not exceed Rs. 1,500 in any individual case :—

The Chief Commissioner of Coorg and Resident at Mysore ;

The Chief Commissioner of Ajmer-Merwara and Agent to the Governor General in Rajputana ;

The Agent to the Governor General in Central India ;

The Resident at Hyderabad ;

The Political Resident in the Persian Gulf ;

The Chief Commissioner, Andamans and Nicobar Islands ;

The Agent to the Governor General in the States of Western India ;

The Agent to the Governor General, Punjab States.

When a disallowance is remitted under this rule the reasons therefor should invariably be recorded by the remitting authority.

Communication of Sanctions.

229. The Audit Department is entitled to receive a copy of an order sanctioning expenditure from the authority which is competent to accord that sanction. If the authority is the local Government of a Governor's province whether such a sanction should be communicated through the Finance Department of the Government is to be determined by the rules of business of the local Government.

NOTE.—The functions of the Finance Department in Governors' provinces are defined in the Devolution Rules.

230. (a) The powers of the Government of India which are not delegated to any Department of that Government, vest in the Finance Department of that Government, and orders issued under such powers are communicated to the Audit Department by the Finance Department. If an order sanctioning expenditure be sent to the Accountant General direct from a Department of the Government of India, other than the Finance Department, and that Department is not empowered to sanction the expenditure, the Accountant General will not refuse obedience but will report to the Finance Department of the Government of India that such an order has been issued and request that it may be communicated to him by the Finance Department in ordinary course.

(b) Orders issued by Departments of the Government of India in the exercise of their own powers of sanction are sent direct to the Audit Department without communication to the Finance Department.

(c) If any orders have been issued by any Department of the Government of India, with the concurrence of the Auditor General, it will be mentioned in the endorsement to the Accountant General that the orders have been issued with the concurrence of the Auditor General.

NOTE.—Endorsements communicating financial sanctions of the Government of India to Audit and Account Officers under clause (a) of this Article may be signed by any officer of the Finance Department, including—

- (i) the Financial Commissioner, Railways and his officers in relation to sanctions given by the Railway Department, in matters pertaining to Railways,
- (ii) the Financial Adviser, Military Finance and his officers in respect of sanctions given by the Army Department in matters pertaining to the Army, Navy and Air Force and concerning military estimates, and
- (iii) the Financial Adviser, Posts and Telegraphs, in relation to sanctions given by the Department of Industries and Labour in matters pertaining to the Indian Posts and Telegraphs and Indian Stores Departments.

230-A. All letters or memoranda conveying sanction to the grant of additions to pay such as special pay and compensatory allowance, should contain a brief but clear summary of the reasons for the grant of the addition so as to enable the Audit Office to see that it is correctly classified as special pay or compensatory allowance, as the case may be. In cases in which an official record in an open letter is considered undesirable, the reasons for the grant of such additions to pay should be communicated confidentially to the Audit Officer. A similar procedure should also be followed in all other cases in which the rules require that reasons for the grant of special concessions or allowances should be recorded.

231. Sanctions accorded by the Government of India and the Provincial Governments to grants of land and alienations of land revenue other than those in which assignments of land revenue are treated as cash payments should be communicated to the audit officer in a consolidated monthly return giving the details necessary for enabling the audit offices to audit the sanctions accorded.

231-A. When proposals for a new grant-in-aid are placed before the Central Standing Finance Committee, details are required to be furnished showing the purpose of the grant and the exact nature of the conditions on

which it is proposed to make it. As it is the duty of Audit to compare such purpose and conditions with those enumerated by the Government of India in their subsequent orders of sanction, audit officers should be supplied; when the sanction is conveyed to them under Articles 229 and 230, with relevant extracts from the Proceedings of the Committee.

NOTE 1.—These orders are not applicable to grants-in-aid sanctioned before the 11th August 1926.

NOTE 2.—The procedure indicated above should be followed, whenever possible, in the case of expenditure on provincial subjects.

Date of Effect of Sanction.

232. Statutory Rules made by the Secretary of State in Council have effect from the date on which they are passed and executive orders issued by the Secretary of State take effect from the date of issue of the despatch, letter or telegram in which the sanction is conveyed.

A sanction of the Government of India or a sanction relating to central subjects of a local Government or other authority has effect from the date of the orders conveying the sanction.

In all cases these rules are subject to any special provisions as to the date of effect in the rules, orders or sanctions themselves.

Lapse of Sanction.

233. A sanction for any fresh charge which has not been acted on for a year must be held to have lapsed, unless it is specifically renewed.

NOTE.—This article does not apply to a case where an allowance sanctioned for an appointment or a class of officers has not been drawn by a particular incumbent of the appointment or a particular set of officers, nor does it apply to additions made gradually from year to year to a permanent establishment under a general scheme which has been sanctioned by proper authority.

233-A. A sanction accorded by the Secretary of State, in the absence of any indication to the contrary in the order itself, will lapse only if and when it is superseded by an order of later date.

Additional Grants and Reappropriations.

234. (a) An excess over a grant voted by a legislature requires the vote of that legislature ;

(b) Reappropriations within a grant voted by a legislature are regulated—

(1) in the case of provincial expenditure, by the provisions in the Devolution Rules and the delegations made thereunder, and

(2) in the case of central expenditure, by the rules made by the Governor General in Council.

Excesses over Grants.

235. In the case of non-voted expenditure the sanction required for excess over a grant provided in the Budget will, in the case of Governors' provinces, be determined by the provisions of the Devolution Rules ; while in the case of provincial expenditure in Burma and of central expenditure the powers of sanction will be determined by the orders of the authority fixing the grant.